HONOURABLE MS JUSTICE G. ROHINI

WRIT PETITION No. 20457 of 2003

Date: 16-11-2007

Between:

V.A.S. Rama Raju,
Srikakulam.

……Petitioner

and

The Senior Divisional Manager/
Disciplinary Authority,
LIC of India,
Visakhapatnam Division,
Visakhapatnam and others.

……..Respondents.

HONOURABLE MS JUSTICE G. ROHINI

WRIT PETITION No. 20457 of 2003

ORDER:

The petitioner herein was appointed as an Agent of Life Insurance Corporation of India for soliciting and procuring life insurance business in the LIC Branch of Narasannapeta.

On 12.12.2001, the 1st respondent issued a show cause notice calling upon the petitioner to show cause as to why his agency should not be terminated without renewal commission alleging that he had recommended a dead person for insurance and thus acted against the interest of the Corporation. Though the petitioner submitted a detailed reply, by order dated 30.09.2002, the agency of the petitioner was terminated. Questioning the same, the petitioner filed an appeal before the 2nd respondent, which was also dismissed by order dated 26.3.2003. Aggrieved by the same, the present writ petition has been filed contending *inter alia* that the action of the 1st respondent in passing the impugned order of termination without conducting any enquiry and without giving any opportunity to the petitioner to substantiate his case is arbitrary, illegal

and in violation of the principles of natural justice apart from being contrary to the provisions of the Life Insurance Corporation of India (Agents) Regulations, 1972.

In the counter affidavit filed on behalf of the respondents 1 to 3, it is stated that the impugned order of termination was validly passed after giving an opportunity to the petitioner to show cause against the proposed action. It is also contended that the agency is not a service and the terms and conditions of agency being entirely different from the terms and conditions of a service, the petitioner cannot make any grievance about the impugned termination. At any rate, since the allegation that the petitioner submitted a proposal for insurance in the name of a dead person was clearly established and it was found in the enquiry that the person on whose name the proposal was made was not alive on the date of the proposal or medical examination, the impugned termination was justified.

A separate counter affidavit has been filed by the 4th respondent stating that he was not doing business as an LIC Agent and that he did not introduce the policy holder to the petitioner.

I have heard the learned counsel for both the parties and perused the material on record.

As could be seen from the material on record, the allegation against the petitioner was that he submitted a

proposal for insurance of Rs.2,00,000/- on the life of one Chinnappanna on 28.3.2000, on the basis of which, a policy bearing No.691470933 was issued on 12.4.2000. However, subsequently, during the course of investigation, it was found that the proposer Chinnappanna died on 13.3.2000 i.e., even before the proposal dated 28.3.2000 was submitted to the Corporation by the petitioner. Hence, the petitioner was attributed fraudulent intention to cause loss to the Corporation. According to the respondents, during the course of internal investigation, it was revealed that T.Chinnappanna was aged about 60 years and was a sick person, who earlier suffered from a liver disease. It was also found that though he died on 13.3.2000, the death register maintained by the Village Administrative Officer, Pedavatsavalasa, was manipulated to show that the death occurred on 19.6.2000 instead of 13.3.2000. The Revenue Divisional Officer, Srikakulam to whom the matter was entrusted for investigation, submitted a report stating that it was a clear case of mischief and cheating done by the LIC Agent and the son of the deceased with a malafide intention and it was proposed to register a criminal case under Sections 405 and 420 IPC.

It is not in dispute that a show cause notice was issued to the petitioner and after considering the explanation submitted by him, the order of termination was passed. However, it is contended that since the petitioner was not served with a copy of the report of the Revenue

Divisional Officer, Srikakulam, which according to him formed the basis for the findings recorded against him, the impugned termination was arbitrary, illegal and violative of the principles of natural justice.

It is true that during the course of investigation, the matter was entrusted to the Revenue Divisional Officer, Srikakulam for enquiry. However, it cannot be said that the impugned order of termination was solely based upon the report submitted by the Revenue Divisional Officer. As a matter of fact even in his explanation,
the petitioner did not deny the fact that the proposer died even before the submission of the proposals to the Corporation on 28.3.2000. However, it was only pleaded that he was misled and trapped by the 4th respondent herein, who was also a staff member of the Corporation. It was pleaded that since the proposal was given to him by the 4th respondent, he did not doubt the bonafides of the parties and submitted the proposal to the Corporation. Thus it is clear that the finding recorded by the respondents was factually correct. Hence the impugned termination made in exercise of the powers conferred under Rule 16 (1) of the Rules, cannot be held to be illegal on any ground whatsoever.

Accordingly, the Writ Petition is dismissed. No costs.

(G.ROHINI, J)

Date: -11-2007
mrb